Gold Operators, Inc.,
462 Fifth Avenue,
New York City.

Dixie Meadows Mine

Gentlemen:

I have just received the assays from the Ruby level of the Dixie and am rather agreeably surprised. Although they do not indicate any bonanza, and one sample was omitted, and another reported cock-eyed, I still feel that the showing is about ten times better than I expected; and what is more important, Kight states that by comparison with the ore in the upper levels, the material which we sampled would not be expected to run ore. It was his impression that there is no ore on the Ruby level.

Following are my brief sample notes and the assays:

<table>
<thead>
<tr>
<th>Sample</th>
<th>Au</th>
<th>Ag</th>
<th>Thick</th>
</tr>
</thead>
<tbody>
<tr>
<td>#456</td>
<td>$4.90 x</td>
<td></td>
<td>5' 3&quot;</td>
</tr>
<tr>
<td>#456</td>
<td>Soft and altered, with clay gouge at south end. (Sample not reported by Lab. Don't understand it.)</td>
<td></td>
<td>16' 7&quot;</td>
</tr>
<tr>
<td>#457</td>
<td>7.70 x</td>
<td>Looks lean. Very little sulfide. Altered porphyry with quartz.</td>
<td></td>
</tr>
<tr>
<td>#458</td>
<td>4.90</td>
<td>Looks fair; considerable sulfide. (Sample #458 11' 6&quot; consisted of 2 full bags, and was so labeled, #458 11.80, but it was run and reported as 2 samples.)</td>
<td></td>
</tr>
<tr>
<td>#459</td>
<td>2.10 x</td>
<td>South rib. Think it is barren.</td>
<td></td>
</tr>
<tr>
<td>#460</td>
<td>2.80 tr. Breast of main drift. Looks lean. One streak of sulfide.</td>
<td></td>
<td>4' 0&quot;</td>
</tr>
<tr>
<td>#461</td>
<td>10.40 x</td>
<td>South rib of main cross-cut where it first strikes the mineralized zone inside the portal of the tunnel.</td>
<td></td>
</tr>
</tbody>
</table>

Below is Brunton sketch of southwest end of Ruby level.

Sincerely,
Gold Operators, Inc.,
452 Fifth Avenue,
New York City.

Gentlemen:

Attached hereto is a little sketch I made the other day of the recent reopening in the Dixie Meadows. The drift shown in red in the one recently re-opened and the cross-cut is show. When you visited the property last, we were able to crawl back between the old timbers in the drift that has since been caught up and extended.

I don't like the state of affairs at all, for I should say that nothing is definitely in place, except the andesite foot north of sample #564, and the hanging where sample #473 was taken. The intervening ore zone is partially oxidized, mashed, soft, and 'runny'. At "A" there was a run of ground and 35 or 40 tons of muck had to be trammed out. At "B" the ground is a mixture of oxidized, siliceous material, clay gouge, lumps of high mineralized but unoxidized sulphide ore, etc. Both "A" and "B" had to be breast-boarded. It is pretty plain that the entire vein "fell over toward the hanging" and widened out near the surface, and we are in the crumpled zone.

Sample #564 is 1.8 ft. of oxidized material lying on the foot and under a 6-inch black, graphitic slate member. The slate is a gouge, and Eighty claims it always followed the middle of the ore zone. Sample ran .35% Au - or .10 oz.

Sample #565 is 6.2 ft. of mainly oxidized, siliceous soft material, evidently mineralized. Ran .09 oz. - $5.15 Au.

Sample #566 is 2.4 ft. of mainly unoxidized, clayey, mineralized gouge, lying next to #565. Ran .085 oz. - $3.00 Au.

Any of the above samples could have been cut out with a good husky teaspoon.

Sample #569 was a composite of a pile of lumpy, unoxidized, well mineralized ore which 'ran' out of the breast at "B" and was tossed to one side. Ran .26 oz. - $9.10.

I have closed the thing down until I can go over and decide whether it is worth while doing any more.

These assays certainly don't check with the assay map. I would like to see the undisturbed ore below this zone, but I doubt if it is practical to do much more work here.

Sincerely yours,